



# CITY OF SAN ANTONIO

P.O. BOX 839966  
SAN ANTONIO, TEXAS 78283-3966

June 23, 2006

Phil Hardberger  
Mayor

Roger Flores  
Councilman, District 1

Sheila McNeil  
Councilwoman, District 2

Roland Gutierrez  
Councilman, District 3

Richard Perez  
Councilman, District 4

Patti Radle  
Councilwoman, District 5

Delicia Herrera  
Councilwoman, District 6

Elena Guajardo  
Councilwoman, District 7

Art Hall  
Councilman, District 8

Kevin Wolff  
Councilman, District 9

Christopher "Chip" Haass  
Councilman, District 10

Sheryl Sculley  
City Manager

Michael Bernard  
City Attorney

John Bull  
Presiding Judge

Ladies and Gentlemen:

**SUBJECT: Audit Report on the Municipal Courts Department Collection Service Contracts for Delinquent Parking Fines and Delinquent Capias Warrants**

The City Internal Audit Department is pleased to attach for your review the report for the Municipal Courts Department Audits of Collection Service Contracts. The review of the draft audit report started in November 2005 and continued until June 2006 with the Municipal Courts Department (MCD) and the Office of the City Manager.

Collection services for parking fines and warrants were provided by two different contractors: Progressive Financial Services (PFS) and Municipal Services Bureau (MSB). PFS's performance was disappointing in that the overall collection rate was only 2% for 457,000 parking citations. MSB, the collection service provider for delinquent capias warrants, was better at 11% for 111,000 warrants. However, MSB could enhance its collection services for the City with implementation of improvements recommended in this report.

Overall, strengthening the contract monitoring process in the MCD could enhance the collection of parking fines or warrants. If MCD's contract monitoring practices had been more robust in the past, the City could have identified process issues that could have prevented uncollectible parking fines in excess of \$4 million.

The MCD Management's Corrective Action Plan indicates progressive efforts for addressing the majority of the issues presented in the report.

We appreciate the cooperation and assistance extended to our auditors by MCD Staff during the course of these audits. Please feel free to contact us to discuss the observations in this report.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mark S. Swann". The signature is fluid and cursive, with the first name "Mark" being more prominent.

Mark S. Swann CPA, CIA, CISA  
Interim City Auditor

Enclosures

cc: Leticia Vacek, City Clerk  
Michael Armstrong, Assistant City Manager / Chief Information Office  
Hugh Miller, Chief Technology Officer Enterprise Applications